

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Order Instituting Rulemaking Regarding Policies,
Procedures and Rules for Reliability Reporting
Pursuant to Public Utilities Code Section 2774.1.

Rulemaking 14-12-014
(Filed December 18, 2014)

**COMMENTS OF BEAR VALLEY ELECTRIC SERVICE (U 913-E), A DIVISION OF
GOLDEN STATE WATER COMPANY, ON THE PROPOSED DECISION UPDATING
THE ANNUAL ELECTRIC RELIABILITY REPORTING REQUIREMENTS FOR
CALIFORNIA ELECTRIC UTILITIES**

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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking Regarding
Policies, Procedures and Rules for Reliability
Reporting Pursuant to Public Utilities Code
Section 2774.1.

Rulemaking 14-12-014
(Filed December 18, 2014)

**COMMENTS OF BEAR VALLEY ELECTRIC SERVICE (U 913-E), A DIVISION
OF GOLDEN STATE WATER COMPANY, ON THE PROPOSED DECISION
UPDATING THE ANNUAL ELECTRIC RELIABILITY REPORTING
REQUIREMENTS FOR CALIFORNIA ELECTRIC UTILITIES**

Pursuant to Rule 14.3 of the California Public Utilities Commission (“CPUC” or “Commission”) Rules of Practice and Procedure, Bear Valley Electric Service (“BVES”), a division of Golden State Water Company, provides these comments on the November 16, 2015 Proposed Decision Updating the Annual Electric Reliability Reporting Requirements for California Electric Utilities (“Proposed Decision”). Although BVES is generally supportive of the Proposed Decision, it notes that unlike most of the other investor-owned utilities (“IOUs”), many of the Proposed Decision’s new reliability requirements are entirely new for BVES and will take time and money to implement. The Commission must account for this fact and modify the Proposed Decision to provide BVES sufficient time to comply with new reliability requirements and specifically authorize BVES to make the necessary reliability expenditures to satisfy the requirements of the Proposed Decision.

I. Comments on Proposed Decision

A. Background

As noted in BVES' January 23, 2015 Comments on the Order Instituting Rulemaking Regarding Policies, Procedures and Rules for Reliability Reporting Pursuant to Public Utilities Code Section 2774.1 ("OIR"):¹

[C]ertain requirements have never been implemented, imposed or required for BVES. ... Specifically, Decision ("D.") 95-09-073 did not name BVES as a respondent, which meant that the requirements of D.96-09-045 never applied to BVES. Therefore, while BVES is subject to GO 165 as well as GO 166, the reliability reporting requirements established in D.96-09-045 have never been implemented or required for BVES.²

While the reliability reporting requirements established in D.96-09-045 may not be new to other IOUs, to date, they have not been required for BVES. The fact that the Proposed Decision now imposes these reliability reporting obligations on BVES is not necessarily problematic, provided that the Commission recognizes that these reporting requirements are new to BVES and will require time and money for BVES to comply with and satisfy the goals of such requirements.

B. BVES Requires Additional Time and Authorized Cost Recovery to Install New Monitoring Equipment To Comply with the Proposed Decision's New Reliability Reporting Requirements

The Proposed Decision fails to account for the fact that BVES has not previously been subject to certain reliability reporting requirements and requires that BVES "submit an annual report that combines the *reliability reporting directed in D.96-09-045* and D.04-10-034 as well as any incremental new reporting requirements adopted in this

¹ BVES' January 23, 2015 Comments on the OIR are available at <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M144/K897/144897041.PDF>.

² BVES' January 23, 2015 comments, p. 2.

decision.”³ Similarly, the Proposed Decision requires BVES to “establish a monitoring system that will enable annual reliability reporting of [Momentary Average Interruption Frequency Index] MAIFI data”,⁴ despite the fact that BVES was never required to “record and publicly report system reliability information on a territory-wide basis annually using the [SAIFI, SAIDI, and MAIFI] indices”.⁵

BVES reiterates that it is generally not opposed to these new reliability requirements proposed in the OIR and required by the Proposed Decision, but given that these are new requirements for BVES, the Commission must provide for adequate time for BVES to implement required monitoring equipment and specify that the costs to do so are recoverable in rates. Monitoring equipment (including metering equipment, a point-to-point radio data link network and additional poles to support the network, software upgrades, and communications data collection networks, as well as the labor costs associated with such equipment) for BVES to comply with the new requirements specified in the Proposed Decision are estimated to cost over \$520,000.⁶ This equipment, software, and networking solutions will require time to acquire and install. Assuming the Commission authorizes the use of such equipment to satisfy the reliability reporting

³ Proposed Decision, p. 15, emphasis added.

⁴ Proposed Decision, p. 20.

⁵ OIR, p. 3.

⁶ BVES’ January 23, 2015 Comments estimated a cost of \$3,250,000: “[m]onitoring equipment will cost approximately \$75,000 per circuit and connectivity equipment will cost approximately \$50,000 per circuit. BVES has 23 distribution circuits and 3 sub-transmission circuits that will require monitoring to comply with the OIR’s proposed reliability recording and reporting requirements. Accordingly, BVES will need to expend approximately \$3,250,000 to install the equipment necessary to comply with the OIR’s proposed requirements.” (BVES January 23, 2015 Comments, p. 2.) However, by implementing cost effective network solutions and employing a different approach to capture reliability data at the circuit level, BVES was able to significantly reduce its initial estimate and believes this more cost effective approach will still satisfy the reliability reporting requirements of the Proposed Decision.

requirements of the Proposed Decision, BVES should be able to complete the installation of such equipment by mid to late 2017. Therefore, BVES could not provide an annual report to the Commission addressing all elements of the Proposed Decision before July of 2018. The Proposed Decision must be modified to provide BVES with the necessary time to install the monitoring equipment needed to report the reliability data requested by the Proposed Decision.

Similarly, in order for BVES to comply with the Proposed Decision, it must procure monitoring and related equipment. While the Proposed Decision does authorize BVES to “file a Tier 2 Advice Letter with the Energy Division to track any implementation costs for complying with remote monitoring,”⁷ BVES requests that the Proposed Decision provide additional clarity that all reasonable expenses related to complying with the Proposed Decision be recoverable in rates. Specifically, the Commission should authorize BVES to procure the necessary equipment to comply with the Proposed Decision (including metering equipment, a point-to-point radio data link network and additional poles to support the network, software upgrades, and communications data collection networks, as well as the labor costs associated with such equipment).

II. Conclusion

For the reasons set forth above, BVES recommends that the Proposed Decision be modified to recognize that many of the reliability reporting requirements are entirely new requirements for BVES and will require that BVES expend time and money before it is capable of complying with these new reliability requirements. The Proposed Decision

⁷ Proposed Decision, Ordering Paragraph 5, p. 31; *see also* p. 20.

should therefore be modified to expressly authorize that BVES recover those costs needed to comply with the new reliability reporting obligations and provide sufficient time for BVES to install needed equipment before the new reporting requirements go into effect for BVES.

Dated: December 7, 2015

Respectfully submitted,

/s/

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Appendix A

Proposed Modifications to Findings of Fact and Conclusions of Law

Pursuant to Rule 14.3(b) of the Commission's Rules of Practice and Procedure, BVES provides the following proposed findings of fact and conclusions of law to the Proposed Decision. Language to be added is underlined.

New Findings of Fact 5 and 6 should be added after Finding of Fact 4 and subsequent Findings of Fact renumbered accordingly:

5. In order to provide MAIFI and CAIDI data to the Commission, some California electric utilities will need to install additional monitoring and related equipment.

6. For those California electric utilities requiring additional equipment to comply with reliability reporting requirements, it is reasonable to provide additional time to satisfy the reporting obligations.

Conclusion of Law 5 should be revised as follows:

5. Use of the template set forth in Appendix B will improve electric reliability reporting and should be required for those California electric utilities capable of providing such data. For those California electric utilities that currently cannot provide all of the reliability data included in Appendix B, only data that is capable of being reported will be required until the California electric utility has the ability to provide all electric reliability data included in Appendix B.